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FINANCING OF THE UNITED NATIONS OBSERVER MISSION IN EL SALVADOR

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the financing of the United Nations Observer Mission in El Salvador (ONUSAL) (A/50/735/Add.1). The document contains the final performance report of the Observer Mission from inception to liquidation. During its consideration, the Advisory Committee met with representatives of the Secretary-General who provided additional information and clarification.

2. As indicated in paragraph 3 of the report, total resources made available to ONUSAL (including the United Nations Observer Group in Central America (ONUCA)) from inception to liquidation, or 31 May 1995, amounted to $239,705,400. These resources included appropriations of $238,142,400 gross and voluntary contributions in kind of $1,563,000. Operating costs for the Observer Mission totalled $200,036,970. Credits to Member States, related to prior unencumbered appropriations, amounted to $23,955,472. Furthermore, unliquidated obligations amounting to $1,574,802 still remained recorded in the accounts as at 31 December 1995. These consisted of $1,054,595 related to pending claims from Governments and $520,207 in other obligations. Upon request, the Secretariat presented additional information in this regard. This information is contained in the annex to the present report. In addition, the Committee was informed that this amount would be further decreased following the current review by the Field Administration and Logistics Division of the Department of Peace-keeping Operations.

3. Assessed contributions, from inception to 31 May 1995, totalled $201.6 million; whereas assessed contributions received as at 31 December 1995 amounted to $181.7 million; hence, the outstanding assessments of $19,905,507 as

indicated in paragraph 2 of the report. The Advisory Committee was further informed that, as at 31 May 1996 these outstanding assessments had only been reduced to $19,517,998.

4. An unencumbered balance of $15,712,958 results from the difference between resources provided and operating costs of ONUCA and ONUSAL. In paragraph 5 of the Secretary-General's report, it is noted that this balance includes $7,260,498 retained in the Special Account, as decided by the General Assembly in its resolution 48/243 of 5 April 1994, and $8,452,460 resulting from the difference between revised recorded expenditures and those reported in previous financial performance reports covering the period from 7 November 1989 to 30 November 1994.

5. The General Assembly, in its decision 50/447 of 22 December 1995, decided to finance additional requirements of $842,300 gross for the period from 1 December 1994 to 31 May 1995 from savings from prior mandate periods pending submission of the final performance report, as recommended by the Advisory Committee in its report to the General Assembly (A/50/802). This amount comprised $826,000 gross for the period from 1 December 1994 to 30 April 1995 and $16,300 gross for the period from 1 to 31 May 1995. It is therefore included in the operational costs indicated in paragraph 2 above.

6. In the letter of 20 November 1995 from the Chairman of the Advisory Committee to the Secretary-General, included as an annex to the Committee's report to the General Assembly mentioned above, the Committee also indicated its intention to consider the conditions that gave rise to the additional requirements at the time of its consideration of the final performance report on ONUSAL, including its liquidation.

7. The additional requirement of $842,300 gross ($736,000 net) for the period from 1 December 1994 to 31 May 1995 was mainly due to the increased activities of the Observer Mission during the last months of ONUSAL. The Committee was informed, upon inquiry, that the establishment of the post-ONUSAL mechanism and the good offices mission (Mission of the United Nations in El Salvador MINUSAL)), which took over after the ONUSAL withdrawal, required a larger than projected number of international and local staff to remain in the Mission area up to 29 April 1995. Repatriation had been projected to take place during the period from 1 to 15 April 1995. A total of 48 rather than 8 international staff, and a total of 79 rather than 16 local staff had to remain at the Mission until the end of the mandate. In addition, local staff had accumulated balances of annual leave that had to be compensated upon the closure of the Mission, for which no budgetary provisions had been made in the cost estimates.

8. Paragraph 8 of the report of the Secretary-General (A/50/735/Add.1) indicates the proposed actions to be taken by the General Assembly, including appropriation and assessment of the above-mentioned $842,300 gross, to be offset against a similar amount from the unencumbered balance for the period ending 30 November 1994. The Advisory Committee agrees with the Secretary-General's proposal.

9. Action by the General Assembly will be required on the treatment of the remaining unencumbered balance of $14,870,658 gross (A/50/735/Add.1, para. 8 (e)), the remaining interest of $12,853 and miscellaneous income of $243,821 (para. 8 (f)) and any surplus that may arise from the eventual liquidation of the remaining obligations in the Special Account (para. 8 (g)).

10. The normal practice regarding unencumbered balances is to return them to Member States unless the General Assembly decides otherwise. The Advisory Committee recalls that the General Assembly, in adopting resolution 47/217 of 23 December 1992, which established the Peace-keeping Reserve Fund, decided that the balances of excess income over expenditures in the special accounts of the United Nations Transition Assistance Group (UNTAG) and the United Nations Iran-Iraq Military Observer Group (UNIIMOG) should be utilized to partially finance the Reserve Fund. The General Assembly may wish to consider these or other options in its decision on ONUSAL. Account should also be taken of the outstanding assessments of $19,517,998 mentioned in paragraph 3 above.

ANNEX

Description of the unliquidated obligations listed in document A/50/735/Add.1, annex II

(United States dollars)

1.	Governments		
	Military observers. Air tickets owed to Governments for the emplacement and repatriation travel of observers to the Mission area.	Amount:	35 863
	Death and disability. The amount remains obligated until further verification that there are no outstanding claims from Governments for disabilities to be settled.	Amount:	750 000
	Civilian police. Air tickets and excess baggage costs owed to Governments for emplacement and repatriation of civilian police.	Amount:	258 122
	Miscellaneous supplies. Rations and miscellaneous supplies provided under letters of assist for which claims have not been forwarded by Governments.	Amount:	10 610
	Subtotal	Amount:	1 054 595
2.	Other		
	International and local staff. Costs of home leave, family visits, travel to and from Mission area for international staff to be claimed by individuals.	Amount:	284 026
	Rental of premises. Obligation related to rental of storage for the Mission files received at closure. Also includes charges for utilities awaiting inter-office vouchers (IOVs) from the United Nations Development Programme (UNDP), El Salvador.	Amount:	85 435
	Vehicle insurance. Insurance costs for vehicles not yet billed.	Amount:	33 433
	Commercial communications. Satellite communication costs not yet billed by vendor.	Amount:	12 028

Miscellaneous services. Cost for audit services and other contractual services awaiting IOVs from UNDP, El Salvador.	Amount:	18 368
Miscellaneous supplies. Costs of miscellaneous supplies awaiting IOVs from UNDP, El Salvador.	Amount:	12 523
Public information supplies. Costs related to the Blue Book series on ONUSAL to be charged by the public information programmes.	Amount:	65 451
Commercial freight and cartage. Cost of air freight awaiting IOVs from UNDP, El Salvador.	Amount:	8 943
Subtotal	Amount:	520 207
Total unliquidated obligations	Amount:	1 574 802